

**MINUTES
OVERSIGHT BOARD OF THE CITY AS SUCCESSOR AGENCY
FOR THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF MORENO VALLEY**

**SPECIAL MEETING – 2:00 P.M.
September 25, 2013**

CALL TO ORDER - Meeting of the Oversight Board of the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley (Oversight Board) was called to order at 2:15 p.m. by Chairman Moss in the Council Chamber at Moreno Valley City Hall. Copies of the Agenda and items for review were made available to the public.

ROLL CALL/INTRODUCTIONS

Oversight Board:

Glenn Moss	Chairman
Chris Carlson	Vice Chair
Mays Kakish	Board Member
John Strickler	Board Member
David Slawson	Board Member
Ahmad Ansair	Board Member
Jamil Dada	Board Member

Absent:

None

Staff:

John Terell	Community & Economic Development Director
Rick Teichert	Financial & Administrative Services Director
Kathi Pierce	Board Secretary

Legal Representation:

David Balmer	Representative for Mark Huebsch - Successor Agency Counsel (Stradling, Yocca, Carlson & Rauth)
Jon Goetz	Oversight Board Counsel - KMTG (Kronick Moskovitz Tiedemann & Girard)

PUBLIC COMMENTS

No public comments

1. APPROVAL OF MINUTES

Motion to Approve Minutes of May 8, 2013 by m/Board Member Mays, s/Board Member Carlson (Approved by a vote of 7-0).

REGULAR BUSINESS

1. CONSIDERATION OF A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY RECOGNIZING AND APPROVING THE DESIGNATION BY THE MAYOR OR A MEMBER OF THE OVERSIGHT BOARD

RESOLUTION NO. OB 2013-04

A Resolution of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley Recognizing and Approving the Designation by the Mayor of a Member of the Oversight Board

Motion to Rescind the Mayors appointment of Henry Garcia to the Oversight Board and Adopt Resolution No. OB 2013-04 to appoint Ahmad Ansari, by m/Board Member Mays, s/Board Member Dada. (Approved by a vote of 7-0).

2. CONSIDERATION OF A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY REAPPROVING LOAN AGREEMENTS BETWEEN THE CITY OF MORENO VALLEY AND SUCCESSOR AGENCY FOLLOWING THE OBTAINING OF A FINDING OF COMPLETION

RESOLUTION NO OB 2013-05

A Resolution of the Oversight Board to the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley Confirming that the Loan Agreements Between the Former Community Redevelopment Agency of the City of Moreno Valley and the City of Moreno Valley was for Loans in the Combined Amount of \$652,248 and for Legitimate Redevelopment Purposes and Further Authorizing the Successor Agency to Re-Establish Said Agreement as an Agreement Between the City and the Successor Agency and Authorize Certain Additional Agreements in Compliance with the Dissolution Act

Rick Teichert, Chief Financial Officer provided background on Items #2 and #3, the loan agreements between the City of Moreno Valley and Successor Agency

Obtaining the finding of completion with the DOF allows us the ability to use the AB 1484 process to capture 50% of the funds that would go back into the tax

increment to repay some of the loans that were eliminated by ABx126. The more recent law, AB1484, allows us to reinstate these loans.

A detailed discussion between Board Members, Staff and Legal Counsel occurred regarding the calculation of the interest rate, the rules established by AB1484, and the structure of the loans within these rules. The attorneys provided their perspective and analysis, allowing for a complete discussion by Board Members.

Motion to approve Resolution OB 2013-05 as amended, with the condition that it is in compliance with the current applicable laws by m/Board Member Mays, s/Board Member Dada. (Approved by a vote of 7-0).

3. CONSIDERATION OF A RESOLUTION OF THE OVERSIGHT BAORD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY REAPPROVING THE PUBLIC WORKS AGREEMENT BETWEEN THE CITY OF MORENO VALLEY ("CITY") AND THE CITY OF MORENO VALLEY IN ITS CAPACITY AS SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALEY ("SUCCESSOR AGENCY")

RESOLUTION NO. OB 2013-06

A Resolution of the Oversight Board to the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley Confirming that the Public Works Agreement Between the Former Community Redevelopment Agency of the City of Moreno Valley and the City of Moreno Valley was for a Loan in the Amount of \$9,100,000 and for Legitimate Redevelopment Purposes and Further Authorizing the Successor Agency to Re-Establish Said Agreement as an Agreement Between the City and the Successor Agency and Authorize Certain Additional Agreements in Compliance with the Dissolution Act

Rick Teichert, Chief Financial Officer provided background on the Public Works Agreement that was approved in 2005 specifically to improve Sunnymead Boulevard.

A repayment schedule has been created to work within the 50% limitation. There is no interest component to this agreement.

The bond payment for the 2005 Lease Revenue Bonds was denied by the DOF in ROPS 3. This agreement was voided by ABx126 and is brought back as an agreement allowed under AB1484.

A detailed discussion between Board Members, Legal Counsel, and Staff continued.

Motion to approve Resolution OB 2013-06 with the condition that it is in compliance with the current applicable laws by m/Board Member Mays, s/Board Member Dada (Approved by a vote of 7-0)

4. CONSIDERATION OF A RESOLUTION FOR THE REPAYMENT AGREEMENT BETWEEN THE CITY OF MORENO VALLEY ("CITY") AND THE CITY OF MORENO VALLEY IN ITS CAPACITY AS SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY ("SUCCESSOR AGENCY")

RESOLUTION NO. 0B 2013-07

A Resolution of the Oversight Board to the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley Confirming that the Repayment Agreement Between the City of Moreno Valley and the City of Moreno Valley, Acting in the Capacity as the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley, was for a Loan in the Amount of \$150,000 and for Legitimate Redevelopment Purposes and Further Authorizing the Successor Agency to Establish Said Agreement as an Agreement Between the City and the Successor Agency in Compliance with the Dissolution Act.

During the DOF review of ROPS3, the DOF directed staff to remove contracts expending 2007 TABS bond proceeds from the ROPS. The funds, with direction from the Successor Agency, were transferred to the City to complete the projects. The IRS audited this Bond issue and determined that IRS code section 149(9) was not met. Staff negotiated a settlement for the resolution of this issue in the amount of \$150,000. Because this payment was not on the ROPS, it could not immediately be paid by the Successor Agency. The IRS demanded immediate payment, which the City accomplished by loaning the funds and paying from the General Fund. Staff is asking for this amount to be repaid on ROPS 1314B.

David Balmer shared that the reasonable expectation of the IRS is that the bond proceeds will be expended within 5 years of their issuance. This is an Agency obligation.

Jon Goetz commented that this is a valid expenditure of funds and should be reimbursed through the property taxes. It clearly relates to an Agency Bond issuance. There are legal concerns and arguments.

Discussion was shared between the Oversight Board Members and Counsel and decided it reasonable to pay the debt.

Motion to approve Resolution OB 2013-07 by m/Board Member Dada, s/Vice Chair Carlson (Approved by a vote of 7-0)

5. RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY 1, 2014 THROUGH JUNE 30, 2014.

RESOLUTION NO. OB 2013-08

A Resolution of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley Approving the Recognized Obligation Payment Schedule for the Period of January 1, 2014 through June 30, 04, and Authorizing the Executive Director or his Designee to make Modifications thereto

Motion to approve Resolution OB 2013-08 by m/Board Member Dada, s/Board Member Mays with Board Member Strickler and Slawson abstaining. (Approved by a vote of 5-2-0)

6. CONSIDERATION OF A RESOLUTION ADOPTING AN ADMINISTRATIVE BUDGET FOR THE SUCCESSOR AGENCY FOR JANUARY 1, 2014 THROUGH JUNE 30, 2014

RESOLUTION NO. OB 2013-09

A Resolution of the Oversight Board of the Successor Agency to the Moreno Valley Redevelopment Agency Adopting an Administrative Budget in the Amount of \$125,000 for the Successor Agency

Rick Teichert, Chief Financial Officer briefly described the item and asked the Board to approve the expenditures as detailed.

Motion to approve Resolution OB 2013-09 by m/Board Member Dada, s/Board Member Mays (Approved by a vote of 7-0)

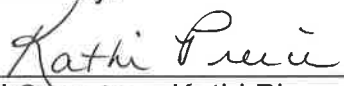
ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 4:35 p.m. by unanimous informal consent.

NEXT MEETING

The next Meeting of the Oversight Board of the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley is scheduled for November 13, 2013 from 2 – 4 p.m. in the Council Chamber.

Submitted by:



Board Secretary, Kathi Pierce

Approved by:



Chairman, Glenn Moss